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ALL-Ways™ Newsletter

Inside This Newsletter

Wagering Series – Part 2

- **Three Critical Skills**

Taking Profits Out of Play

Announcements

Handicapping Profiles for 2005

Many new ALL-Ways Handicapping Profiles have been posted for downloading in the User's Corner on the Frandsen Publishing Web site at www.frandsen.com. If you are using All-Ways software and do not have a database for a track to generate your own Handicapping Profiles, you can download these posted profiles for free. They were created by other All-Ways software handicappers using their databases for the track. Handicapping Profiles for Churchill Downs have been posted including special profiles for Kentucky Derby day on May 7th.

ALL-Ways Version 11

Users of the Professional Edition of ALL-Ways software should check the Support Section of the Frandsen Publishing Web site to make sure they have the latest version of the Professional Edition.

Wagering Series – Part 2

Three Critical Skills

The first installment of this special four part wagering series was included in our January 2005 Newsletter (#36). If you have not read the first installment, it would be a good idea to do so. All ALL-Ways Newsletters are posted on www.frandsen.com and are available free of charge. **This overall wagering series is aimed at helping horseplayers who are losing money to move into**

the profit column and to help already profitable players do even better.

Recap of Part 1

Part 1 covered two main topics. The first was setting realistic expectations so your definition of success is reasonable to attain. The second topic covered, in some depth, how to help unprofitable players “stop the bleeding”. To “stop the bleeding”, we made the following suggestions for *temporarily* changing how you approach playing the horses.

- Set your profit objective to making \$1 each day you play the races.
- Keep track of how you are doing during the day. Know at all times where you stand.
- Lower your bet size. You can raise your bet size when you are making \$1 or more profit on a reasonably consistent basis.
- Handicap the night before the races so you can focus on final wagering decisions at the track.
- Make fewer wagers by limiting your play to races you really understand and by generally not betting on legitimate favorites and by never betting against legitimate favorites. If you want more action, play an additional track. Don't play races you should be passing.
- Start this temporary approach by limiting your wagers to 2-horse win betting and to the Show Partial Parlay wager. When you have these two types of wagers under control, meaning you are able to consistently achieve your \$1 profit objective, you can then start moving up the natural progression of wager types including Exactas, Trifectas, Superfectas, Daily Doubles, Pick 3s and Pick 4s.
- ***Be careful when you are behind*** to resist the temptation of making unwise, end-of-the-day, large bets to try to get in the profit column.
- ***Be careful when you are ahead*** that you do not squander your profits at the end of the day in an attempt to “hit a home run”. In other words, do not lose discipline at the end of the day regardless of whether you are ahead or behind at the end of the day.
- A good way to help you towards your \$1 profit goal is, when you are ahead, to take some of your profits “out of play”. Be sure to read the short article on page 4 of this newsletter on this subject. It is a real eye opener.

Part 2 Introduction

Now, in Part 2 of this wagering series, we describe three handicapping skills we believe are absolutely essential for making money at the track. We will also discuss a simple, fast handicapping process that will be helpful in developing and refining these skills. Finally, we will discuss how to merge these three critical handicapping skills into your thinking when playing the 2-horse win and Show Partial Parlay wagers.

The Three Critical Skills

Again, in your quest to achieve at least a \$1 profit on a consistent basis, we recommended you temporarily focus almost exclusively on 2-horse win betting and the Show Partial Parlay wager. **There is a very important reason why mastering these two wager types will help you**

towards overall profitability: In order to do well with the 2-horse win and Show Partial Parlay wagers, you will need to become proficient with three specific handicapping skills. And, these critical handicapping skills are essential for virtually every horseplayer who wants to make a profit using not only the 2-horse win and Show Partial Parlay wagers, but any wager type up the logical progression of wagers including Exactas, Trifectas, Superfectas, Daily Doubles, Pick 3s and Pick 4s.

All of these key handicapping skills accept our fundamental premise that you are almost always better off not betting on legitimate favorites and you should never bet against legitimate favorites. (See **“The Curse of the Legitimate Favorite”** in **ALL-Ways Newsletter #30**). In other words, if the crowd favorite is legitimate, you should generally pass the race, although there are some special circumstances when betting on a legitimate favorite is acceptable. More about this a little later on.

Now, here are the three critical handicapping skills:

- 1. The ability to classify the crowd favorite as either legitimate or vulnerable or false.**
- 2. The ability to narrow down the potential winner to just two non-favorite candidates.**
- 3. The ability to identify a Key Horse that is not the favorite.**

Again, these three skills are absolutely required to get to profitable play. It is essential for losing players to stop what they are doing and get back to trying to master these three basic handicapping skills. Let's look at these skills and why they are so important.

1) Classify Favorites

This skill helps us determine if we will pass or play a race. If the favorite is legitimate, you should, with some limited exceptions, pass the race. If the favorite is “vulnerable”, it is most likely a playable race. The degree of vulnerability will dictate the size of our wager and the way the wager is structured. If the favorite is false, we will open our wallets a bit and take advantage of what we believe to be the crowd's big mistake. For example, the Show Partial Parlay wager will have much higher Show payoffs if the winner finishes off-the-board. And, our 2-horse win wager will almost always need to exclude the favorite in order for the odds to be high enough to make this a good wager. More about this later too.

If and when you move on to play Exactas, Trifectas, Superfectas, Daily Doubles, Pick 3s and/or Pick 4s, you really need the favorite to lose, preferably even finishing off-the-board for Exactas, Trifectas and Superfectas.

2) Identify the Two Most likely Non-Favorite Win Horse Candidates

In races where we believe the favorite is either seriously vulnerable or outright false, we want to play these two non-favorite horses to win, assuming, of course, the odds support it. If you cannot reliably narrow your choices down to just two non-favorite horses, chances are you should not make the 2-horse win wager in this race. You should, more often than not, simply pass the race because you do not have the race figured out. Indeed, many races are unplayable because they are too contentious and you cannot realistically narrow the likely winner down to just two, or even three, non-favorite candidates.

Here is something you can do if you are having difficulty narrowing down your choices to just two non-favorite horses. First, narrow down to three non-favorite horses. Then, by just looking at these three horses, ignoring the other horses, see if you can select two of the three for your wagers. This little “trick” will help you find some additional races to play.

When you have developed your skills at spotting vulnerable and false crowd favorites and when you have developed your skill in identifying the two most likely non-favorite win horse candidates, you have come a long way towards profitable play. You are certainly in a position to profitably play 2-horse win wagers.

3) Identify a Non-Favorite Key Horse

Anyone who has been reading ALL-Ways Newsletters over the years knows how strongly we feel about the need to develop the ability to identify good non-favorite Key Horses. The Key Horse is one we can single in the win, place and show positions of Trifecta and Superfecta wagers. So, why should we look for Key Horses when we are using our temporary approach to get to our \$1 profit objective? Indeed, there are very powerful reasons for doing so. When you are classifying favorites as legitimate, vulnerable or false and when you are looking for the two best non-favorite win horse candidates, you are looking only at the win position and not place and show. Now, when you add the third of our critical skills, looking for a good non-favorite Key-Horse candidate, you will expand your thinking to all three in-the-money finish positions.

While working to move into the \$1 profit column, this important Key Horse skill will be a major help in playing the Show Partial Parlay wager. Indeed, your Show Partial Parlay horse may be one of the two non-favorite candidates for the win position. However, often you will find a better candidate in your Key Horse selection. Later on, if and when you move up the logical progression towards Exacta, Trifecta and/or Superfecta wagers, this Key Horse skill will be a big help. Since you looked at the win, place and show finish positions, you will have separated the horses you feel should be included in your wager from the horses you feel can safely be excluded from the

ticket. And, by singling the Key Horse, you further reduce the cost of these wagers.

If you come across a common problem of your Key Horse selections coming in 4th a lot of the time, you should read the article on Fourth..place..itis in ALL-Ways Newsletter #33.

Let's pause and summarize where we are at this point. Remember, this special series on wagering is aimed at a temporary change in your handicapping and wagering activities to help you move from the loss column to the profit column, with success being measured by simply making a \$1 profit. We recommend you focus your handicapping in the three critical skill areas of 1) Classify crowd favorites as legitimate, vulnerable or false; 2) If the favorite is vulnerable or false, narrow down your choices to just two non-favorite horses having the best chance of beating the favorite; 3) Identify a good non-favorite Key Horse. Mastering these three critical skills will set you up for strong profitable play of 2-horse win betting and Show Partial Parlay wagers. And, when you are able to profitably play these two wager types on a reasonably consistent basis, you can gradually move up the logical progression of wager types to include Exactas and Trifectas, then Superfectas, and to include Daily Doubles and then Pick 3s and 4s.

An Orderly Handicapping Process

There is another reason to develop these three critical handicapping skills: Doing so will bring uncomplicated order to your handicapping process. Here is an easy and fast process you may want to follow as you refine your capabilities to handle the three critical handicapping skills.

Step 1: Isolate In-the-Money Candidates

Determine which horses have any reasonable chance to finish in-the-money. For All-Ways software users, we recommend starting with the horses designated by All-Ways software as Contenders. Then add horses, if any, designated by All-Ways software as Dangerous Non-Contender(s). Finally, add any horse, if it is not already there, designated by All-Ways software as a Key Horse Candidate.

Step 2: Upgrade or Downgrade Each In-the-Money Candidate

The next step is to take a *quick*, but comprehensive, look at each in-the-money candidate in an effort to upgrade (+) or downgrade (-) your evaluation of each horse for each of the following considerations: Suitability to the distance, suitability to the surface, current form, class level, speed and the jockey and trainer. For All-Ways software users, all of this information is organized and easy to access on any one of a number of handicapping reports. The ALL-Ways' Contender Summary Report is great for this purpose. This handicapper uses a yellow marker for plus (upgrade) and an orange marker for minus (downgrade).

Step 3: Evaluate the Pace Scenario in the Race

The pace scenario in each race can have a profound effect on the outcome. Many, perhaps most, surprises in a race can be explained by the effects of the pace match-up in the race. Upgrade horses that will be helped by the pace and downgrade horses that will be hurt by the pace. You will want to give very heavy weight in your thinking regarding the impact of pace on your list of candidates for in-the-money finishers. You may even decide to add one or more horses to your in-the-money candidate list, such as adding deep closers in races with a lot of early pace pressure. You may want to read the pace article in ALL-Ways Newsletters #3. It provides a very fast and effective way to use ALL-Ways Race Pace Shapes to upgrade and downgrade the chances of horses in a race based on the pace scenario in the race. For All-Ways software users, we suggest you use the appropriate Multiple Regression Analysis Pace (MRA Pace) handicapping profile for each race. These profiles do a great job of including “pace advantaged horses” in the Contender List for each race.

Step 4: Identify Situational Influences

Look at the past performances of each horse to see if there are situational influences that would cause you to upgrade or downgrade a horse’s chances of finishing in-the-money. The following are some situations you should look for.

Examples of Upgrade Situations

- Trouble in the comment line of the horse’s last race, such as “checked”, “blocked”, “stumbled”, etc., particularly if the horse still ran a good race and the particular trouble is not a recurring problem for the horse.
- A wide trip in the last race, particularly if the horse still ran a good race and wide trips are not the norm for the horse.
- A double move (“V Pattern) in the last race, particularly if the horse ran a good race.
- A good race in the horse’s past performances against a pace similar to what is likely in today’s race.
- The horse is returning to a class level or a distance or a surface or a specific track at which it did well in the past.

Note: ALL-Ways Professional Edition handicappers can set up Custom Search Definitions for

these and many other situational factors and All-Ways software will then automatically look for these situations and identify the horses on the Search Handicapping Report.

Examples of Downgrade Situations

- The horse is returning to a class level or a distance or a surface or a specific track at which it did poorly, without an excuse, in the past.
- Bad recent races without an excuse.
- Bad recent races without a significant reason why the horse should do better today, such as a major drop in class in today's race or going back to a distance, surface or track it likes.
- Bad performance against the likely pace scenario of today's race.

These four handicapping steps are both easy and fast to accomplish. And, they will indeed bring some simplicity and order to making your final handicapping and wagering decisions for a race. With these handicapping steps accomplished, you can now make informed, orderly decisions regarding the three critical handicapping skills.

Bringing It All Together

After you have isolated your in-the-money candidates and assessed their chances of winning or finishing on-the-board, you are ready to make your final wagering decisions. Remember, we are staying in our temporary mode of just using the 2-horse win and Show Partial Parlay wagers.

Decision #1: Classifying the Favorite

Is the crowd favorite legitimate? If the answer is "yes", then we generally pass the race. The exception would be if the favorite is going off at odds of 3-to-1 or higher. In this case, we may still play the 2-horse win wager and include the favorite as one of the two horses. More on this below. If the favorite is legitimate and going off at odds below 3-to-1, we will pass the race. If the favorite is vulnerable or false, we will generally play the race using the 2-horse win wager and/or the Show Partial Parlay wager. Something to keep in mind about all this is that crowd favorites only win about one third of their races. What you are trying to do is a good job of figuring out, in advance, which of the remaining two thirds of the races the favorites will fail to win.

Decision #2: Playing Two Horses to Win

Again, if the favorite is legitimate and is going off at odds below 3-to-1, we will pass the race completely with no wagers of any kind. If the favorite is very vulnerable or false and we can narrow down the horses most likely to beat the favorite to just two horses with the lowest odds of the two horses being 3-to-1 or higher, we will play these two horses to win. While it does not happen often on a race card, if we can narrow down the probable winner to just two horses including the favorite going off at 3-to-1 or higher, we will use the favorite in our 2-horse win wager.

We keep saying that neither of the two horses in our 2-horse win wagers should be going off at odds less than 3-to-1. Here is why. When you are doing well with the 2-horse win wager, chances are you are winning the wager between 50% to 65% of the time. Looking at it from a \$2 flat bet perspective, if you make 100 such wagers, you will bet a total of \$400, which is \$2 wagered on each of the two horses in each race. If you win 50% of these wagers, you must average \$8 for each winning wager to break even. If you win 60% of these wagers and average \$8 per win, you will make a net profit of \$80 or 20% profit on the \$400 wagered. Now, we are not doing this just to break even. So, we really want to make sure we average better than \$8. We do this by generally not making a wager on any horse that will give us less than an \$8 payoff. Since horses going off at 3-to-1 will pay \$8, we set 3-to-1 as the minimum. With that said, we have played a few 5-to-2 horses that we really liked.

Another technique you will want to use for the 2-horse win wager is to “Dutch” the wager. This means you will wager an amount of each horse such that you will receive the same payoff regardless of which horse wins the race. Please see the article on 2-horse win wagering in ALL-Ways Newsletter #4 for an explanation of how to “Dutch” the wager. Another simple approach is to wager 60% of your bet on the lower odds horse and 40% on the higher odds horse. While this is not true “Dutching”, it does seem to work well over time.

Decision #3: The Show Partial Parlay

We will not play the Show Partial Parlay wager if the favorite is legitimate. The only exception to this is if we have a Show Partial Parlay horse that is going off at big odds, say 10-to-1 or higher. If the favorite is vulnerable or false and we have a good Key Horse, we will play the Show Partial Parlay wager. There are several possibilities here. It is possible for our Key Horse to also be one of our two non-favorite win candidates. It is also possible we were unable to narrow down to two non-favorite win candidates, so we won't play the 2-horse win wager, but still have a good Key-Horse so we can play the Show Partial Parlay wager. Finally, it is possible that we will find a good Show Partial Parlay horse that is neither one of our 2-horse win candidates or our Key-Horse candidate. This can happen when you spot a really nice high priced horse that you feel has a good chance of finishing in-the-money. **We suggest you read about the Show Partial Parlay wager in ALL-Ways Newsletters #28 and # 29.**

Learn Something From Every Race

We will be covering this subject in more depth in future newsletters. For now, you should always review each race after it is run to see what you can learn regarding the outcome compared to your handicapping. It is great to keep a log of what you learn. But, even if you do not keep a log, you should still spend a minute or so to review what actually happened compared to what you thought would happen. **This will be a major help to you. You will be able to validate the things you are doing well and you will identify things you need to improve. If you do not do this, you will not learn and you will not improve. If you do this routinely, you will continually get better and better with the three critical handicapping skills. It only takes a minute or so.**

Your Biggest Challenges

You will face some challenges as you temporarily change the way you play on the way to your \$1 profit objective. You will most likely have some trouble passing races you should not play. You will most likely have trouble staying with just the 2-horse win and Show Partial Parlay wagers until you reach consistent profitability. You will most likely have some trouble remembering to review each races so you can learn new things that will help your handicapping. **These are all a matter of personal discipline.**

What's Next

This special Wagering Series will continue with Part 3 in the next ALL-Ways Newsletter (July 2005). Part 3 will focus on how to assess your progress and how to improve your performance regarding the three critical handicapping skills. Part 3 will also start to explore how to turn your ability to achieve relatively consistent profits from the 2-horse win and Show Partial Parlay wagers into success with the more difficult wagers up the logical progression of wagers.

Taking Profits Out of Play

In response to our suggestion in Part 1 of our special wagering series to take some profits out of play during the day, we received the following input from a long term All-Ways software handicapper. It was an excellent example of why we make the recommendation to “pocket some profits” during the day.

This handicapper and his wife regularly play the races together. Both are All-Ways software users and both make their own handicapping decisions and wagers. However, they have a “deal”

where he makes all the Trifecta wagers. He covers all losing tickets. And, he pays his wife 20% of the net profit (payoff less the wager cost) of each winning Trifecta ticket.

They also keep detailed records of their wagers and how well they do. At the end of 2004, he had accumulated a net profit of slightly over \$6,000 for the year playing Trifectas. This is after he paid his wife the 20% portion of winning wagers. These 20% shares totaled \$7,100 for the year. Regardless of whether he paid this 20% to his wife or put it in a piggy bank or put it in his sock drawer at home, the fact is that by pulling 20% of the profits from these winning wagers “off the table”, he literally more than doubled his overall profitability for Trifecta wagers for the year from \$6,000 to more than \$13,000!

This is a pretty solid example why it is a good idea to pull some of your profits off the table. We have found the 20% figure to be very effective. You do not need to give this money to a spouse. You can simply put it a pocket that is separate from your wagering bankroll. However, when you get home, you should put it away and not use it again for any wagering. Who knows? You might even save enough to buy a horse. NOT!



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